

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**

FROM: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER:

0 0 — 0 1 2

2. STATE:

South Carolina

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL
SECURITY ACT (MEDICAID)TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

07/19/00

5. TYPE OF PLAN MATERIAL (Check One):

☐ NEW STATE PLAN☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:

Section 1902 (a)(13)(c)(i) of the Medicaid Law

7. FEDERAL BUDGET IMPACT:

a. FFY 2000 \$ 6 (\$40x.0995x2.42/12)

b. FFY 2001 \$ 23 (\$40x1.1x.7044x.75)

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

ATTACHMENT 4.19-B, Page 1e

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (If Applicable):

ATTACHMENT 4.19-B, Page 1e

10. SUBJECT OF AMENDMENT:

Rates for Federally Qualified Health Centers (FQHC) Effective July 19, 2000

GOVERNOR'S REVIEW (Check One):

☒ GOVERNOR'S OFFICE REPORTED NO COMMENT☐ OTHER, AS SPECIFIED:☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL:

13. TYPED NAME:

J. Samuel Griswold, Ph.D.

14. TITLE:

Director

15. DATE SUBMITTED:

September 12, 2000

16. RETURN TO:

SC Department of Health and Human Services
Post Office Box 8206
Columbia, South Carolina 29202-8206**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED:

September 29, 2000

18. DATE APPROVED:

December 19, 2000

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:

July 19, 2000

20. SIGNATURE OF REGIONAL OFFICIAL:

Hugh W. Webster, Jr.

21. TYPED NAME:

Eugene A. Grasser

22. TITLE:

Associate Regional Administrator
Division of Medicaid and State Operations

23. REMARKS:

IV. Payments to Out-of-State Providers:

Payments to out-of-state providers shall be made based on the lesser of the fixed fee specified for the service or the charge for the service in the case of surgery, nonsurgery or treatment, therapy and testing services.

2b. Rural Health Clinics:

Reimbursement for medically necessary services will be made at 100% of the all-inclusive patient encounter fixed rate, per visit, as established by the Medicare Regional Intermediary. Provider based Rural Health Clinic's (RHC) with less than 50 beds will receive reimbursement at 100% of Medicare reasonable costs not subject to the RHC rate cap, as established by the Medicare intermediary. A copy of the actual costs and utilization reports shall be submitted to this agency at the end of each fiscal reporting period to enable us to determine the reimbursement due for the fiscal period.

Services rendered to individuals age sixty-five (65) or older, and disabled, who are eligible for benefits through the Medicare program, will follow the Medicare billing procedures established by the Regional intermediary. Coinsurance and Deductibles will be paid by the Medicaid (Title XIX) program where the individual has joint eligibility under both programs.

2c. Federally Qualified Health Centers:

The South Carolina Department of Health and Human Services (DHHS) will accept the Modified Medicare Cost Report for Rural Health Clinics as the cost report format for the Federally Qualified Health Centers in South Carolina. The reports, as submitted, shall be reviewed for accuracy, reasonableness, and the allowability of costs as defined by Medicare reasonable cost principles. Reimbursement will be made at 100% of Medicare reasonable costs with the following constraints: (1) The minimum productivity level for physicians shall be 4,200 patient visits per year; for mid level practitioners shall be 2,100 patient visits per year; and for OB/GYN physicians shall be 3,360 patient visits per year; (2) Overhead costs shall be limited to not more than thirty percent (30%); and, (3) Out-of-state Federally Qualified Health Centers shall be paid the statewide average encounter rate as determined from the most recently completed state fiscal year. To ensure that reimbursement will be made at 100% of Medicare reasonable costs, subject to the above mentioned constraints, adjustments to cost shall be made on a retrospective basis based upon our review of the provider's FYE cost report. Furthermore, the reported information shall be utilized for establishing or modifying the rates of payment for future services rendered by the Federally Qualified Health Center. For those facilities that are not PHS grantees but are designated as "look alike," the same cost principles and constraints shall apply as mentioned above for the Federally Qualified Health Centers.

2e. Indian Health Service (IHS) Facilities:

Effective July 1, 1999, DHHS will reimburse IHS facilities (638 facilities) at the rate as determined by the Indian Health Service. For Calendar year 1999, the rate is published in the Federal Register/Vol.64, No. 16/Tuesday, January 26, 1999/Notices, page 3955. Subsequent year rates shall be announced in the Federal Register. The rate shall be an all-inclusive encounter rate per visit for the provision of medically necessary out-patient services provided to both Native and non-Native Americans.

Coinsurance and Deductibles will be paid by the Medicaid Program (Title XIX) program where the individual has joint eligibility for Medicare and Medicaid.

SC: MA 00-012
EFFECTIVE DATE: 07/19/00
RO APPROVAL: DEC 19 2000
SUPERSEDES: MA 00-011